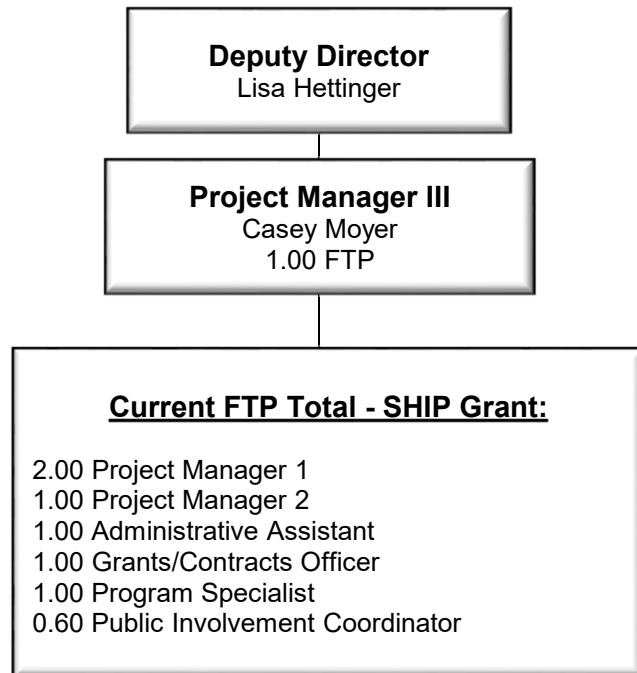
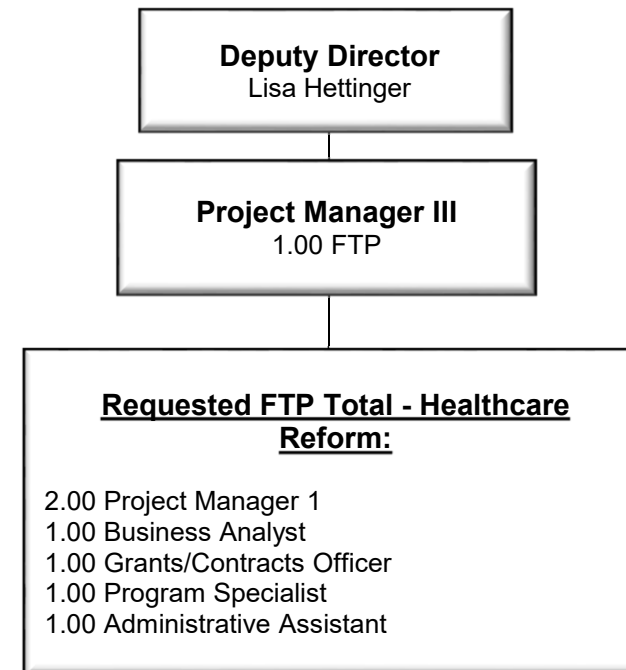


Healthcare Policy Initiatives Organizational Chart

FY 2019 Organizational Chart



FY 2020 Requested Organizational Chart



	FTP
FY 2019 Original Appropriation:	7.60
FY 2020 Base REDUCTION	(-) 7.60
FY 2020 Base	0.00
FY 2020 Request	(+) 7.00
Vacant FTP: (as of 1/07/2019)	0.60

Health Care Policy Initiatives

FY 2018 Actual Expenditures by Division

		FTP	PC	OE	CO	T/B	LS	Total
0.30	FY 2018 Original Appropriation							
0220-03	Gen	0.00	0	4,200	0	251,500	0	255,700
0220-05	Ded	7.60	0	0	0	0	0	0
0220-02	Fed	0.00	689,700	11,373,800	0	623,500	0	12,687,000
Totals:		7.60	689,700	11,378,000	0	875,000	0	12,942,700
1.00	FY 2018 Total Appropriation							
0220-03	Gen	0.00	0	4,200	0	251,500	0	255,700
0220-05	Ded	7.60	0	0	0	0	0	0
0220-02	Fed	0.00	689,700	11,373,800	0	623,500	0	12,687,000
Totals:		7.60	689,700	11,378,000	0	875,000	0	12,942,700
1.21	Net Object Transfer							
0220-03	Gen	0.00	0	(800)	0	800	0	0
0220-02	Fed	0.00	0	(2,397,600)	500	2,397,100	0	0
Totals:		0.00	0	(2,398,400)	500	2,397,900	0	0
1.34	Net Transfer Between Programs							
0220-03	Gen	0.00	0	800	0	0	0	800
Totals:		0.00	0	800	0	0	0	800
1.61	Reverted Appropriation							
0220-03	Gen	0.00	0	(400)	0	0	0	(400)
0220-02	Fed	0.00	(101,900)	(1,966,000)	0	(733,600)	0	(2,801,500)
Totals:		0.00	(101,900)	(1,966,400)	0	(733,600)	0	(2,801,900)
2.00	FY 2018 Actual Expenditures							
0220-03	Gen	0.00	0	3,800	0	252,300	0	256,100
Cooperative Welfare (General)			0	3,800	0	252,300	0	256,100
0220-05	Ded	7.60	0	0	0	0	0	0
Cooperative Welfare (Dedicated)			0	0	0	0	0	0
0220-02	Fed	0.00	587,800	7,010,200	500	2,287,000	0	9,885,500
Cooperative Welfare (Federal)			587,800	7,010,200	500	2,287,000	0	9,885,500
Totals:		7.60	587,800	7,014,000	500	2,539,300	0	10,141,600
Difference: Actual Expenditures minus Total Appropriation								
0220-03	Gen		0	(400)	0	800	0	400
Cooperative Welfare (General)			N/A	(9.5%)	N/A	0.3%	N/A	0.2%
0220-05	Ded		0	0	0	0	0	0
Cooperative Welfare (Dedicated)			N/A	N/A	N/A	N/A	N/A	N/A
0220-02	Fed		(101,900)	(4,363,600)	500	1,663,500	0	(2,801,500)
Cooperative Welfare (Federal)			(14.8%)	(38.4%)	N/A	266.8%	N/A	(22.1%)
Difference From Total Approp			(101,900)	(4,364,000)	500	1,664,300	0	(2,801,100)
Percent Diff From Total Approp			(14.8%)	(38.4%)	N/A	190.2%	N/A	(21.6%)

Healthcare Policy Initiatives

FY 2019 JFAC Action

	FTP	Gen	Ded	Fed	Total
FY 2018 Original Appropriation	7.60	255,700	0	12,687,000	12,942,700
FY 2018 Total Appropriation	7.60	255,700	0	12,687,000	12,942,700
FY 2018 Estimated Expenditures	7.60	255,700	0	12,687,000	12,942,700
Removal of Onetime Expenditures	0.00	(4,200)	0	0	(4,200)
FY 2019 Base	7.60	251,500	0	12,687,000	12,938,500
Benefit Costs	0.00	0	0	(10,300)	(10,300)
Change in Employee Compensation	0.00	0	0	17,200	17,200
FY 2019 Program Maintenance	7.60	251,500	0	12,693,900	12,945,400
Line Items					
9. SHIP Grant	0.00	0	0	5,000,000	5,000,000
FY 2019 Total	7.60	251,500	0	17,693,900	17,945,400
Chg from FY 2018 Orig Approp.	0.00	(4,200)	0	5,006,900	5,002,700
% Chg from FY 2018 Orig Approp.	0.0%	(1.6%)		39.5%	38.7%

Language for Healthcare Policy Initiatives Program

REPORTING ON IMPLEMENTATION OF THE SHIP GRANT. On an annual basis, the Healthcare Policy Initiatives Program shall report the status of the State Healthcare Innovation Plan (SHIP) to the Legislative Services Office and the Division of Financial Management. The report shall include comments and suggestions from private insurers, private providers, and other active stakeholders on the process of moving from the current fee-for-service medical model to a capitated model of healthcare delivery. The report shall also include results of any performance metrics required by the grant, in addition to updates on potential solutions for the state of Idaho. This report shall be submitted no later than December 31, 2018.

Report was submitted on 12/31/2018 and provided to JFAC members on 01/24/2019

Healthcare Policy Initiatives

Historical Summary

OPERATING BUDGET	FY 2018 Total App	FY 2018 Actual	FY 2019 Approp	FY 2020 Request	FY 2020 Gov Rec
BY FUND CATEGORY					
General	255,700	256,100	251,500	540,500	410,800
Dedicated	0	0	0	399,100	347,200
Federal	12,687,000	9,885,500	17,693,900	356,300	541,400
Total:	12,942,700	10,141,600	17,945,400	1,295,900	1,299,400
Percent Change:		(21.6%)	76.9%	(92.8%)	(92.8%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	689,700	587,800	696,600	605,300	608,800
Operating Expenditures	11,378,000	7,014,000	16,373,800	190,600	190,600
Capital Outlay	0	500	0	0	0
Trustee/Benefit	875,000	2,539,300	875,000	500,000	500,000
Total:	12,942,700	10,141,600	17,945,400	1,295,900	1,299,400
Full-Time Positions (FTP)	7.60	7.60	7.60	7.00	7.00

Division Description

The program was established in 2015 and is responsible for the administration of the State Healthcare Innovation Plan (SHIP) and other statewide health-policy initiatives focused on improving Idaho's health care system. Specific functions include developing, managing, and reporting on numerous contracts with a variety of contractors with expertise in different aspects of healthcare system transformation. Contract subject areas may include medical home transformation, health information technology expansion, data analytics, quality measurement, and tele-health.

Healthcare Policy Initiatives

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2019 Original Appropriation	7.60	251,500	17,945,400	7.60	251,500	17,945,400
5. Various Health Federal Grants	0.00	0	(3,100,000)	0.00	0	(3,100,000)
1. Graduate Medical Education	0.00	(107,800)	(375,000)	0.00	(107,800)	(375,000)
FY 2019 Total Appropriation	7.60	143,700	14,470,400	7.60	143,700	14,470,400
Removal of Onetime Expenditures	0.00	0	(5,000,000)	0.00	0	(5,000,000)
Base Adjustments	(7.60)	0	(8,970,400)	(7.60)	0	(8,970,400)
FY 2020 Base	0.00	143,700	500,000	0.00	143,700	500,000
7. Health Care Reform	7.00	396,800	795,900	7.00	267,100	799,400
FY 2020 Total	7.00	540,500	1,295,900	7.00	410,800	1,299,400
Change from Original Appropriation	(0.60)	289,000	(16,649,500)	(0.60)	159,300	(16,646,000)
% Change from Original Appropriation		114.9%	(92.8%)		63.3%	(92.8%)

Healthcare Policy Initiatives

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2019 Original Appropriation	7.60	251,500	0	17,693,900	17,945,400

5. Various Health Federal Grants

The department requests a program transfer of \$3,100,000 in federal funds from the Health Care Policy Initiatives Program to the Physical Health Services Program for 11 federal grants that have been awarded to the Physical Health Services Program. Grants include funding for opioids, oral health, immunizations, abstinence, physical activity and nutrition, and chronic diseases. Rather than requesting new appropriation, the department was able to identify existing appropriation amounts in several programs that are in excess of estimated needs. As a result, this department-wide request has an overall net-zero impact on the department's federal fund appropriation. The appropriation will increase in the Physical Health Services Program by 6.00 FTP and \$5,850,000. The appropriation will be reduced by \$5,850,000 in five programs and includes \$1,000,000 from Self-Reliance Operations, \$300,000 from Emergency Medical Services, \$3,100,000 from Healthcare Policy Initiatives, \$750,000 from the Southwest Idaho Treatment Center, and \$700,000 from Medicaid Administration.

Agency Request	0.00	0	0	(3,100,000)	(3,100,000)
Governor's Recommendation	0.00	0	0	(3,100,000)	(3,100,000)

1. Graduate Medical Education

The Healthcare Policy Initiatives Program requests a \$375,000 rescission in ongoing trustee and benefit payments for the portion of the appropriation that was provided for Graduate Medical Education (GME) at Idaho State University. In FY 2018, the Governor recommended an ongoing appropriation from the General Fund and federal funds for additional medical residency program support to address Idaho's physician shortage. The increase in graduate medical education funding was recommended and appropriated to expand programs at the Boise Family Medicine Residency Program, the Idaho State University Family Medicine Residency Program, and the University of Washington Internal Medicine Program. The recommended funding totaled \$2,425,000 and was split between the Office of the State Board of Education (\$1,550,000 in General Fund) and the Department of Health and Welfare (\$251,500 in General Fund, \$623,500 in federal funds). The recommendation for the Department of Health and Welfare consisted of Medicaid allowable expenses, whereas the recommendation for the Office of the State Board of Education consists of non-allowable Medicaid expenses. However, shortly after the appropriation was set, it became apparent that ISU would not be able to use the federal match. The Department of Health and Welfare and ISU tried to find workable solutions throughout FY 2018. However, when no solution was identified, the department, with support from the Division of Financial Management, provided only the General Fund to ISU because ISU had already hired individuals to support new residencies, even though it contradicted the Governor's recommendation and the action taken by JFAC.

Agency Request	0.00	(107,800)	0	(267,200)	(375,000)
Governor's Recommendation	0.00	(107,800)	0	(267,200)	(375,000)

FY 2019 Total Appropriation					
Agency Request	7.60	143,700	0	14,326,700	14,470,400
Governor's Recommendation	7.60	143,700	0	14,326,700	14,470,400

Removal of Onetime Expenditures

This action removes \$5,000,000 in onetime funding that was appropriated for the last year of the SHIP grant.

Agency Request	0.00	0	0	(5,000,000)	(5,000,000)
Governor's Recommendation	0.00	0	0	(5,000,000)	(5,000,000)

Base Adjustments

This adjustment transfers \$52,000 in personnel costs from federal funds to the Physical Health Services Program. It also removes 7.60 FTP and \$8,918,400 in federal funds as a result of the SHIP grant ending. This resets the base to only include \$500,000 for Graduate Medical Education at the Boise Family Medicine Residency Program.

Agency Request	(7.60)	0	0	(8,970,400)	(8,970,400)
Governor's Recommendation	(7.60)	0	0	(8,970,400)	(8,970,400)

Healthcare Policy Initiatives

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2020 Base					
Agency Request	0.00	143,700	0	356,300	500,000
Governor's Recommendation	0.00	143,700	0	356,300	500,000

7. Health Care Reform

The department requests 7.00 FTP and \$795,900 to continue efforts in payment reform for health care related costs. The request includes \$605,300 in ongoing personnel costs, and \$190,600 in ongoing operating expenditures. Funding for the request includes \$396,800 from the General Fund and \$399,100 from dedicated funds, with dedicated revenue being anticipated from private and public grants; however, the department does not have any financial commitments from these sources as of its revised budget request. Starting in FY 2015, the department has been working on health care payment reform with almost \$40 million in funding from a federal State Innovation Model Grant. That grant is set to expire in January 2019. Funding included in this request will be used to expand beyond its primary-care focus through initiatives that engage specialists, hospitals, behavioral health providers, and others along with the primary-care community. Funding for these expanded projects will be provided through private grants and other sources, guided by the Healthcare Transformation Council of Idaho (HTCI). According to the department's budget submission, the General Fund would "fund the resources and infrastructure needed to take implement the next phase of Medicaid payment reform, support and facilitate HTCI, its workgroups as well as address initiatives identified." If the General Fund amount is approved, the department requests that this office be charged with assessing the state's and department's health services performance by identifying programmatic and policy gaps, and by developing recommendations for improvements, cost reductions, and deployment of resources. No additional information was provided by the department on how the funds will be specifically used; the request focuses on high-level concepts and overarching processes.

Four of the seven positions are currently employed with the department and the remaining three would be hired at the start of the fiscal year. Operating expenditures include funding for contractual services that include an actuarial analysis and consultant support, office supplies, travel expenses, and other indirect costs.

Agency Request	7.00	396,800	399,100	0	795,900
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Recommended by the Governor with a shift of \$185,100 from the General Fund to federal funds with the intent that the program maximize federal funds available through the agency's applicable federal grants and through the cost allocation process.

Governor's Recommendation	7.00	267,100	347,200	185,100	799,400
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FY 2020 Total					
Agency Request	7.00	540,500	399,100	356,300	1,295,900
Governor's Recommendation	7.00	410,800	347,200	541,400	1,299,400

Agency Request

Change from Original App	(0.60)	289,000	399,100	(17,337,600)	(16,649,500)
% Change from Original App	(7.9%)	114.9%		(98.0%)	(92.8%)

Governor's Recommendation

Change from Original App	(0.60)	159,300	347,200	(17,152,500)	(16,646,000)
% Change from Original App	(7.9%)	63.3%		(96.9%)	(92.8%)